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STATE OF DELAWARE
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DIVISION OF PROFESSIONAL REGULATION

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MEETING MINUTES:	BOARD OF CHARITABLE GAMING
MEETING DATE AND TIME:	Thursday, September 1, 2011 at 1:00 p.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room B , second floor of the Cannon Building
APPROVED:	October 6, 2011

MEMBERS PRESENT

James Greene, Chairman, DE Volunteer Fireman's Association Member
Deborah Messina, Vice Chairperson, Public Member
Janet Williams-Coger, Non-profit Member

DIVISION STAFF/DEPUTY ATTORNEY GENERAL PRESENT

Robert Willard, Deputy Attorney General
Michele Howard, Administrative Specialist II
Sandra Wagner, Administrative Specialist III
Kay Warren, Deputy Director

MEMBERS ABSENT

Sharon McDowell, Public Member
Scott Angelucci, Public Member

ALSO PRESENT

Carol Torre, Full House Poker
Jack Morris, Delmar Fire Department
Jeff Kowalski, Delmar Fire Department
Marty Skarson, Delmar Fire Department
Chip Thompson, Charitable Games of Delaware
A.J. Hemphill, Charitable Games of Delaware
Tammy Anderson, University of Delaware

CALL TO ORDER

Mr. Greene called the meeting to order at 1:06 p.m.

REVIEW AND APPROVAL OF MINUTES

The Board reviewed the meeting minutes of August 4, 2011. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to approve the minutes as presented. The motion was unanimously approved.

UNFINISHED BUSINESS

Final Denials

Cystic Fibrosis Foundation (no DE address)

Ms. Messina made a motion, seconded by Ms. Williams-Coger, to make a final denial of the application of Cystic Fibrosis Foundation for a proposed raffle drawing to be held on November 18, 2011, for lack of a physical location in Delaware. The motion passed unanimously.

The Thomas Jefferson Learning Foundation (online raffle)

Ms. Messina made a motion, seconded by Ms. Williams-Coger, to make a final denial of the application of The Thomas Jefferson Learning Foundation for a proposed raffle drawing to be held on August 31, 2011, because the Board does not allow online raffles. The motion passed unanimously.

Knights of Columbus Coffee Run Council 6768 (July – Dec 2012 raffles)

Ms. Messina made a motion, seconded by Ms. Williams-Coger, to make a final denial of proposed raffle drawing dates between July and December 2012 for Knights of Columbus Coffee Run Council 6768, because the Board will not approve more than six months of raffle drawings at one time. The motion passed unanimously.

Re-Review of Contingent Approvals and PTD Applications

Leukemia & Lymphoma Society – THE Tournament Application (date, vendor, Mbr in Chg)

Ms. Messina re-reviewed the application, noting a change in the third-party vendor, verification of the Member In Charge, and a request to change the date of the event from 8/18/11 to 10/18/11. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to approve the revised THE Tournament application of Leukemia & Lymphoma Society. The motion passed unanimously.

Joint Sunset Review & Rules and Regulations

Charitable Gaming Vendor License (aka Third Party Vendor License)

Review Draft Language for Rules & Regulations from Mr. Willard

Individual vs. Group EINs – Review Draft Language from Mr. Willard

Texas Hold'Em Poker Individual License – Review Draft Language from Mr. Willard

DAG Willard read aloud proposed language regarding the definition and licensure requirements of Charitable Gaming Vendors, and clarification of the Board's position on the number of allowable events per organization or its subsidiaries. Mr. Willard summarized the proposed language regarding licensure requirements for Texas Hold'Em Poker Individual Licenses. Mr. Willard noted that the Individual License language is generally the same as the Vendor License language. Mr. Willard advised that the proposed amendments will be published in the Register of Regulations on October 1, 2011, a public hearing will be held before the Board on November 3, 2011, and the final Rules and Regulations will be published in December 2011. Mr. Greene invited the public to comment on the amendments. Mr. Hemphill of Charitable Games of Delaware asked when the new Rules would take effect. Mr. Willard advised Mr. Hemphill to continue "going as you are" until you are notified otherwise by the Division of Professional Regulation. Ms. Messina stated that she would like "Officers" to be defined in the proposed regulations. After discussion, Ms. Messina made a motion, seconded by Ms. Williams-Coger, to accept the draft language of amendments to the Board's Rules and Regulations with the addition of a definition of "Officers". The motion passed unanimously.

Charitable Gaming Vendor License – Review Draft Application from Ms. Howard

Ms. Howard advised that the draft Vendor application was not completed at the time of the meeting. Ms. Howard reviewed a list of items to be incorporated into the application, which included the requirement of a Delaware Business License, signatures of all officers, criminal background reports on all officers, and disclosures regarding felony convictions, crimes involving gambling, and crimes of moral turpitude. Ms. Howard added that the application would include a disclaimer that if denied, an applicant could not reapply for twelve months. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to delegate the authority to Mr. Greene to review and approve the vendor application if it was completed before the October Board meeting. The motion passed unanimously.

Gaming Inspections – Kay Warren

Deputy Director Kay Warren addressed the Board regarding the mandate of Senate Bill 131 which resulted from a review of the Board by the Joint Sunset Committee. Ms. Warren advised that the State Lottery Office would be transferring funds to the Division to hire inspectors/investigators for the inspection of gaming events. Ms. Warren stated that she and Director James Collins met with the Lottery Director and Deputy Director last week to discuss Senate Bill 131 and its purpose. The Division will be hiring contractually two part-time inspectors to work 25 hours per week each. Inspectors may initiate investigations and investigate gaming complaints. Ms. Warren reported that there is currently an average of 240 gaming events (Bingo, Charitable Gaming and THE Tournaments) per month, or 56 events per week. Ms. Warren stated that the Lottery Office already has gaming inspectors who have received specialized training, and there may be an option to contract with the Lottery's inspectors through the temporary agency. If Lottery inspectors are not available, the Division will send the new contractual inspectors to training. The Division will submit its proposal to the Lottery Office today.

Ms. Warren also advised that she had received a request from the Joint Sunset Committee for a Progress Report, which is due back to the JSC by September 15, 2011. Ms. Warren will prepare a draft response and send to Mr. Willard to review before submitting to the JSC. The Progress Report will be provided to the Board at its next meeting.

Sign Final Rules & Regulations Order from 8/4/11 Public Hearing

The Final Board Order was signed by Ms. Messina, Mr. Greene, and Ms. Williams-Coger. Mr. Willard advised that Ms. McDowell and Mr. Angelucci can sign the Order at the next meeting.

NEW BUSINESS

Executive Session None

Board Member Reports

Mr. Greene advised members of the public that After Occasion Reports (AORs) may currently be submitted by mail, email, fax or hand-delivery. Mr. Greene stated that the Division is working towards offering electronically-submitted AORs in the future.

Delegation of Authority None

Review of Applications for Texas Hold'Em Tournaments None

Review of Applications for Charitable Gaming Events

Delaware Blue Hens Baseball

Ms. Messina reviewed the application and advised that the IRS revoked the organization's exemption in May 2010. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to propose to deny the Charitable Gaming application of Delaware Blue Hens Baseball for events proposed to be held on 9/18/11, 10/16/11 and 11/20/11 due to the revocation of the organization's exemption by the IRS. The motion passed unanimously.

Review of Applications for Instant Bingo Events None

Review of Applications for Bingo Events

St. Peter and Paul Ukrainian Orthodox Church (1st time app)

Ms. Messina reviewed the application. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to approve the Bingo application of St. Peter and Paul Ukrainian Orthodox Church. The motion passed unanimously.

Susan G. Komen Breast Cancer Foundation (1st time app, TX address)

Ms. Messina reviewed the application and noted that a member of the organization who resides in Delaware was listed as the Member In Charge of the event. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to approve the Bingo application of Susan G. Komen Breast Cancer Foundation. The motion passed

unanimously. Ms. Howard pointed out that the Board had made a final denial of an application for the Cystic Fibrosis Foundation earlier in the meeting, based on the organization's lack of a physical Delaware address. However, they were approving the Susan G. Komen application based on the residential Delaware address of one of the organization's members. Ms. Howard stated that she had spoken with a member of the Cystic Fibrosis Foundation after the Board proposed to deny its application at its August meeting. The Cystic Fibrosis Foundation had inquired if they could submit the residential Delaware address of one of its members in order to gain approval of its application, and Ms. Howard had advised them that they could not use a member's residential Delaware address in lieu of the organization having a physical location in Delaware. Ms. Messina stated that Ms. Howard should contact the Cystic Fibrosis Foundation and advise them that they could reapply for gaming permits if a member of the organization who resides in Delaware would be the Member In Charge of the proposed event.

Review of Applications for Raffles

Delmar Fire Department (advertising & selling tix online w/out permit, paypal, cash bar, unclaimed prizes)
Ms. Howard reviewed the raffle application with Mr. Greene. The Board recognized John Morris, Jeff Kowalski and Marty Skarson of Delmar Fire Department. Mr. Morris stated that annual raffles for Delmar Fire Department had been approved by the Board for the last four years under the same circumstances. Mr. Morris added that advertising and ticket sales for the raffle were ceased the same day that Ms. Howard called them regarding their application. Ms. Messina advised that the Board's statute requires that a member of the charitable organization be in control of all monies at all times, and that using Paypal takes the monies out of the organization's control. Mr. Greene advised that the Board does not allow raffles to be conducted using Paypal to collect funds. Ms. Messina and Mr. Greene questioned the disclaimer on the organization's website stating that any prizes not claimed within 30 days would become the property of Delmar Fire Department. Mr. Morris stated that the raffle tickets had already been printed with the disclaimer, and that the previous 4 raffles approved by the Board included the same disclaimer. Mr. Greene stated that he would be more comfortable if the disclaimer stated that subsequent raffle tickets would be drawn until prizes are awarded. Mr. Morris agreed that the disclaimer could be changed for future raffles. Mr. Greene made a motion, seconded by Ms. Messina, to approve the raffle application as-is since the Board had approved the same raffle for the past 4 years. Mr. Greene added that future raffles will not be approved if using Paypal to collect funds. The motion passed unanimously. Mr. Greene asked Mr. Willard to review the Board's Rules and Regulations governing raffles and give the Board his interpretation of "Record Keeper" and whether or not Paypal should be allowed. Mr. Greene asked Mr. Morris if the advertised "cash bar" meant that they would serve alcohol at the event. Mr. Morris confirmed that alcohol would be sold at the event. Ms. Messina asked Mr. Morris if the Fire Department has obtained the necessary permit to sell alcohol, and Mr. Morris confirmed. Mr. Morris, Mr. Kowalski, and Mr. Skarson left the meeting. Ms. Howard pointed out that the statute prohibits alcohol at bingo and charitable gaming events, and that since raffles are not specified in statute, they fall under the laws governing charitable gaming. ~~Ms. Messina stated that alcohol is permissible at charitable gaming events.~~ (At the October 6, 2011 meeting, Ms. Messina asked to clarify that statement, and add that alcohol is permitted at the facility if it is properly licensed to serve alcohol.) Mr. Willard cited 28Del.C. §1139(d), and advised that alcohol is prohibited at both bingo and charitable gaming events. Ms. Messina acknowledged that the statute prohibits alcohol, but stated that the Board had turned a "blind eye" in the past.

St. Nicholas Ukrainian Catholic Church (1st time app)

Ms. Messina reviewed the application. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to approve raffle drawings from January through June of 2012. The motion passed unanimously. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to propose to deny raffle drawings from July through December 2012, because the Board will not approve more than 6 months of drawings at one time. The motion passed unanimously.

Aetna Hose Hook & Ladder Company (1st time raffle app)

Ms. Messina reviewed the application and made a motion, seconded by Ms. Williams-Coger, to approve the raffle application for Aetna Hose Hook and Ladder Company. The motion passed unanimously.

Review of Request to Change Date/Venue of Approved Event

American Legion Post 24 (requesting date change)

Ms. Messina reviewed the request for a date change from American Legion Post 24. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to approve the date change request. The motion passed unanimously.

Inclement Weather/State of Emergency Request None

Approval of Licensure List

Ms. Messina read aloud the charitable gaming licensure list. Ms. Williams-Coger made a motion, seconded by Ms. Messina, to approve the charitable gaming applications of First State Harmonizers, Bethel Historical Society, Independent Order of Odd Fellows Martha Rebekah Lodge #21, Homeless Cat Helpers, American Legion Post 25-Middletown, Seaford Lions Foundation, VFW Post 2931 Georgetown-Ellendale, Vietnam Veterans 546, Safe Haven Animal Sanctuary of Sussex County, Spuck and Lib Bennett Scholarship Fund Inc, Rehoboth Beach Volunteer Fire Company Inc, Rehoboth Beach Lions Club, Read Aloud Delaware, Metropolitan Community Church of Rehoboth Inc, Midway Lions Club, Lewes Lions Club, Lewes Little League, Knights of Columbus Old Bohemia Council #6543, Just Us, Fraternal Order of Police Lodge #10, Debra L. Sipple Memorial, Delaware Action for Animals Inc, Delmar Pop Warner Football, DE Manufactured Home Owners Association, Ducks Unlimited Inc, Dalmation Rescue, DE Warriors Travel Baseball, DE Center for Inland Bays, Children's Beach House, Camp Rehoboth Inc, Big Brothers/Sisters of DE, Autism Delaware, Rehoboth Beach Main Street Inc, Ladies Auxiliary of VFW Post 7447, and Delaware SPCA. The motion passed unanimously.

Ms. Messina reviewed the charitable gaming and raffle applications of Ministry of Caring, and made a motion, seconded by Ms. Williams-Coger, to approve the applications contingent on Ms. Howard contacting Ministry of Caring to confirm that its members will run the events, not World Café or any third party vendor. The motion passed unanimously.

Ms. Messina read aloud the raffle licensure list. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to approve the raffle applications of Fresh Start Scholarship Foundation, SODAT-DE and Clear Space Theatre Company. The motion passed unanimously.

Ratification of Bingo Event Permits Issued

Ms. Messina read aloud the bingo ratification list. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to ratify the licensure of Holy Cross Church. The motion passed unanimously.

Hearings/Consent Agreements None

Complaint Assignment and Status

Mr. Greene reported that Complaints 22-15-10 and 22-16-10, which were both assigned to Ms. McDowell, had been closed by the Investigator. Ms. Messina made a motion, seconded by Ms. Williams-Coger, to close the complaints per the Investigator's recommendation. The motion passed unanimously. Mr. Greene reported that Complaint 22-07-11 had been assigned to Ms. Messina.

OTHER BUSINESS BEFORE THE BOARD

Review Drafts of Revised Applications and Webpages from Ms. Howard

Mr. Greene stated that the Board was not advised that the applications and webpages were being revised. Ms. Howard stated that the Board had been advised at its August meeting that the Division was currently working on proposed drafts of applications and webpages to present to the Board. Mr. Willard confirmed that the Board had been notified at its August meeting. Mr. Greene and Ms. Messina agreed that revising applications and webpages are the responsibility of the Board, not the Division. Mr. Greene expressed concern that the Division was trying to take away the Board's authority. Mr. Greene stated that the Board had drafted the existing applications 4 years ago in a special meeting where the Board members went through the

applications “line by line”. Ms. Howard explained that the drafts being presented to the Board were merely the Division’s recommendations for improvements to the applications and webpages, and that the Board could add, remove or change any part of the drafts as they deemed appropriate. Ms. Howard further explained that all DPR employees who specifically work with gaming applications were involved in an 8-10 week process and had collectively brainstormed to draft the documents that were now being presented for the Board’s review. Ms. Messina asked what changes the Division was recommending. Ms. Howard gave two examples:

- 1) The current raffle application asks for the name and contact information of the Member In Charge. However, the Board’s Rules and Regulations governing raffles make no mention of a Member In Charge, but do require a Record Keeper. The Division is proposing to correct the raffle applications by changing “Member In Charge” to “Record Keeper”.
- 2) Earlier this year, the Division mailed letters to organizations with delinquent After Occasion Reports (AORs). Several organizations called the Division upon receipt of their letters, to report that the person who applied for an event did so without the organization’s knowledge or permission. Whether or not those organizations were truthful, or were trying to get out of submitting the required AOR as Ms. Messina suggested, the Board staff believes this is a flaw in our application system, and recommends that each organization designate an “approved” Member In Charge to not only be responsible for gaming events, but to also be the only person from that organization who can submit gaming application’s on the organization’s behalf.

Regarding the first example, Ms. Messina was in agreement that the raffle application should request a Record Keeper, and not a Member In Charge. Regarding the second example, Ms. Messina stated that this recommendation “would never work” as any given organization could have multiple committees and each committee could have a person designated to apply for and hold events. Ms. Howard asked the Board to go through the draft applications with her so that she could explain all of the recommended changes. Mr. Greene stated that Ms. Howard should have “highlighted” the changes on the existing applications, rather than draft new ones. Ms. Howard explained that many of the changes were a matter of formatting to make the gaming applications consistent with applications of other boards, such as font type, font size, spacing, numbering, etc, and that those types of changes would be difficult to “highlight”. Ms. Howard added that the recommended changes would make the applications more user-friendly. Ms. Messina stated that she could tell the font was different on the revised application. Ms. Messina added that the revised applications should state “REVISED” or “DRAFT”. Mr. Greene stated that he would not review the draft applications until Ms. Howard presented copies of the current applications for comparison. Ms. Messina stated she would not review the draft applications unless all Board members, including Ms. McDowell and Mr. Angelucci, were present. Ms. Howard agreed that she would send copies of the current applications, along with the revised applications, to all of the Board members for their review before the next meeting. Ms. Messina made a motion, seconded by Mr. Greene, to table the review of draft applications until the next meeting. The motion passed unanimously.

PUBLIC COMMENT None

NEXT MEETING

The next scheduled Board meeting is October 6, 2011 at 1:00 p.m., at 861 Silver Lake Boulevard, Cannon Building, Conference Room B, Dover, Delaware.

ADJOURNMENT

There being no further business before the Board, Ms. Williams-Coger made a motion, seconded by Mr. Greene, to adjourn the meeting at 3:20 p.m. The motion passed unanimously.

Respectfully Submitted,



Michele Howard
Administrative Specialist II